

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 EA-11 NEA-14 USIE-00 INRE-00 NSCE-00

SSO-00 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 EB-11

FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-07

PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08 TAR-02

TRSE-00 PRS-01 SP-03 FEA-02 OMB-01 SWF-02 OIC-04 IO-14

DRC-01 /208 W

----- 113160

O 102146Z MAY 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 2638

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 11480

E.O. 11652: N/A

TAGS: EGEN, OECD

SUBJECT: OECD CURRENT ACCOUNT STANDSTILL: TEXT OF
DRAFT DECLARATION

1. FOLLOWING IS TEXT DECLARATION ON CURRENT ACCOUNT
STANDSTILL THAT EMERGED FROM XCSS MEETING MAY 10.
SOME OF LANGUAGE WAS LEFT FUZZY AND MAY BE CHANGED
SLIGHTLY WHEN SECRETARIAT RELEASES NEW TEXT. LANGUAGE
IN BRACKETS WAS LEFT UNRESOLVED AT THIS STAGE. DRAFT
WAS AGREED AD REFERENDUM, THOUGH DEGREE OF ITALIAN
COMMITMENT REMAINS IN DOUBT. CABLE ON HIGHLIGHTS OF
DISCUSSION FOLLOWS MAY 11.

BEGIN TEXT:

GOVERNMENTS OF OECD MEMBER COUNTRIES,

CONSIDERING THAT, AMONG OTHER FACTORS, THE RISE
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IN OIL PRICES IS AGGRAVATING THE ECONOMIC PROBLEMS

CONFRONTING MEMBER COUNTRIES, AND NOTABLY THE PROBLEM OF INFLATION, AS WELL AS CAUSING ADDITIONAL STRUCTURAL PROBLEMS, AND THAT IT IS CREATING AN UNPRECEDENTED CHANGE IN THE STRUCTURE OF THE BALANCE OF PAYMENTS AND, IN PARTICULAR, A DETERIORATION OF CURRENT ACCOUNTS OF MEMBER COUNTRIES AS A WHOLE;

CONSIDERING THAT ALL MEMBER COUNTRIES ARE AFFECTED BY THESE DEVELOPMENTS THOUGH IN VARYING DEGREES;

AGREE:

THAT THE NATURE AND SIZE OF THE (PAYMENTS IMBALANCES AND OTHER) PROBLEMS (MENTIONED ABOVE) FACING MEMBER COUNTRIES AS WELL AS A NUMBER OF DEVELOPING COUNTRIES CALL FOR WIDE COOPERATION IN THE FIELDS OF ECONOMIC, TRADE, FINANCIAL, MONETARY, INVESTMENT AND DEVELOPMENT POLICIES;

THAT THE FINANCING OF INTERNATIONAL PAYMENTS DEFICITS WILL CONSTITUTE A DIFFICULT PROBLEM FOR CERTAIN MEMBER COUNTRIES AND THAT, ACCORDINGLY, MEMBER COUNTRIES WILL COOPERATE FULLY TO FACILITATE SUCH FINANCING AND ARE READY TO CONSIDER APPROPRIATE ARRANGEMENTS WHICH MAY PROVE NECESSARY IN THIS RESPECT;

THAT UNILATERAL TRADE OR OTHER CURRENT ACCOUNT MEASURES BY ONE OR MORE MEMBER COUNTRIES TO DEAL WITH THIS SITUATION WOULD AGGRAVATE THE PROBLEMS OF OTHER COUNTRIES AND, IF GENERALIZED, WOULD BE SELF-DEFEATING AND HAVE A DEPRESSING EFFECT ON THE WORLD ECONOMY;

THAT COUNTRIES HAVE RESPONSIBILITIES BOTH AS IMPORTERS AND EXPORTERS TO AVOID DISRUPTION OF REGULAR TRADE FLOWS;

THAT THEREFORE, AS A MATTER OF URGENCY AND WITHOUT PREJUDICE TO THE OUTCOME OF THE MONETARY AND TRADE NEGOTIATIONS, THERE IS THEREFORE A NEED FOR A JOINT UNDERTAKING HAVING AS ITS OBJECTIVE TO PREVENT NEW LIMITED OFFICIAL USE

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UNILATERAL ACTION WHICH MAY HAVE A DETRIMENTAL IMPACT ON INTERNATIONAL ECONOMIC RELATIONS;

DECLARE, THEIR DETERMINATION, IN THE LIGHT OF THE FOREGOING, THAT THEY SHALL FOR A PERIOD OF ONE YEAR,

(A) AVOID HAVING RECOURSE TO UNILATERAL MEASURES, OF EITHER A GENERAL OR A SPECIFIC NATURE, TO RESTRICT

IMPORTS OR TO SIMILAR MEASURES ON THE OTHER CURRENT
TRANSACTIONS, WHICH WOULD BE CONTRARY TO THE OBJECTIVES
OF THE PRESENT DECLARATION;

(B) AVOID MEASURES TO STIMULATE EXPORTS OR OTHER
CURRENT ACCOUNT TRANSACTIONS ARTIFICIALLY; AND, INTER

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O 102146Z MAY 74

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ALIA, ABSTAIN FROM DESTRUCTIVE COMPETITION IN OFFICIAL
SUPPORT OF EXPORT CREDIT AND AIM AT TAKING APPROPRIATE
COOPERATIVE ACTIONS TO THIS EFFECT IN THE IMMEDIATE
FUTUGP;

(C) AVOID EXPORT RESTRICTIONS WHICH WOULD BE
CONTRARY TO THE OBJECTIVE OF PRESENT DECLARATION.

(D) CONSULT WITH EACH OTHER, MAKING FULL USE

OF THE GENERAL CONSULTATION PROCEDURES WHICH EXIST IN
THE OECD, IN ORDER TO ASSURE THAT THE PRESENT DECLARA-
TION IS PROPERLY IMPLEMENTED;

(E) IMPLEMENT THE PRESENT DECLARATION IN ACCOR-
DANCE WITH THEIR INTERNATIONAL OBLIGATIONS AND WITH
DUE REGARD TO THE SPECIAL NEEDS OF DEVELOPING
COUNTRIES.

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2. DEPARTMENT REPEAT AS DESIRED.
BROWN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC REPORTS, BALANCE OF PAYMENTS POLICIES, TRADE CONTROLS, EXPORT CONTROLS
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Draft Date: 10 MAY 1974
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
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Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2002
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Review Exemptions: n/a
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OECD CURRENT ACCOUNT STANDSTILL: TEXT OF DRAFT DECLARATION
TAGS: EGEN, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005